

Senate File 228 - Enrolled

Senate File 228

AN ACT

RELATING TO BIOSCIENCE-BASED ECONOMIC DEVELOPMENT, THE
ESTABLISHMENT OF A BIOSCIENCE DEVELOPMENT CORPORATION, AND
MEMBERSHIP ON THE IOWA INNOVATION COUNCIL.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 8.11, subsection 2, paragraph a, Code 2019, is amended to read as follows:

a. *"Disability"* means the same as ~~provided~~ defined in section 15.102, ~~subsection 10, paragraph "b", subparagraph (1).~~

Sec. 2. Section 12.34, subsection 1, Code 2019, is amended to read as follows:

1. The treasurer of state may invest up to the lesser of one hundred eight million dollars or twenty-five percent of the balance of the state pooled money fund in certificates of deposit in eligible lending institutions as provided in [section 12.32](#), [this section](#), and sections 12.35 through 12.43. One-half of the moneys invested pursuant to this section shall be made available under the program implemented pursuant to [section 12.43](#) to increase the availability of lower cost moneys for purposes of injecting needed capital into small businesses which are fifty-one percent or more owned, operated, and actively managed by one or more women, minority persons, or persons with disabilities. *"Disability"* ~~means and~~ *"minority person"* mean the same as defined in section 15.102, ~~subsection 10. A *"minority person"* means the same as defined in section 15.102, subsection 10.~~ The treasurer shall invest

the remaining one-half of the moneys invested pursuant to this section to support any other eligible applicant as provided in section 12.43.

Sec. 3. Section 15.102, Code 2019, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. *"Bioscience-based economic development"* means economic development related to industries involved in any of the bioscience development platforms.

NEW SUBSECTION. 1B. *"Bioscience development platforms"* means industries involved in any of the following:

- a. Vaccines and immunotherapeutics.
- b. Biobased chemicals.
- c. Precision and digital agriculture.
- d. Medical devices and medical diagnostics.

Sec. 4. Section 15.102, subsection 5, Code 2019, is amended to read as follows:

5. *"Corporation"* means ~~the Iowa innovation~~ a bioscience development corporation created pursuant to [section 15.107](#).

Sec. 5. Section 15.106B, subsection 2, paragraph b, Code 2019, is amended to read as follows:

b. Establish a nonprofit corporation pursuant to section 15.107, for the purpose of receiving and disbursing funds from public or private sources to be used to enhance bioscience-based economic development in the state and to further the overall development and economic well-being of the state.

Sec. 6. Section 15.106B, subsection 2, paragraph d, subparagraph (1), Code 2019, is amended by adding the following new subparagraph division:

NEW SUBPARAGRAPH DIVISION. (i) Services to expand, enhance, and advance the bioscience development platforms.

Sec. 7. Section 15.107, Code 2019, is amended by striking the section and inserting in lieu thereof the following:

15.107 Bioscience development corporation.

1. The authority shall establish a bioscience development corporation as a nonprofit corporation organized under chapter 504 and qualifying under section 501(c)(3) of the Internal Revenue Code as an organization exempt from taxation. Unless otherwise provided in this subchapter, the corporation is

subject to the provisions of chapter 504. The corporation shall be established for the purpose of providing services and receiving and disbursing funds from public or private sources to enhance bioscience-based economic development in the state and to further the overall development and economic well-being of the state.

2. The corporation shall collaborate with the authority as described in this subchapter, but the corporation shall not be considered, in whole or in part, an agency, department, or administrative unit of the state.

a. The corporation shall not receive appropriations from the general assembly.

b. The corporation shall not be required to comply with any requirements that apply to a state agency, department, or administrative unit and shall not exercise any sovereign power of the state.

c. The corporation shall not have authority to pledge the credit of the state, and the state shall not be liable for the debts or obligations of the corporation. All debts and obligations of the corporation shall be payable solely from the corporation's funds.

3. *a.* The corporation shall be established so that donations and bequests to the corporation qualify as tax deductible under state income tax laws and under section 501(c)(3) of the Internal Revenue Code.

b. The corporation shall be established for the purpose of expanding bioscience-based economic development opportunities in the state of Iowa and for Iowa businesses, and to further the overall development and economic well-being of the state. The corporation may effectuate this purpose by performing certain functions delegated to it by the authority pursuant to section 15.106B.

4. The articles of the corporation shall provide for its governance and its efficient management. In providing for its governance, the articles of the corporation shall address the following:

a. A board of directors to govern the corporation.

(1) The board of directors shall initially be comprised of seven members appointed by the governor to concurrent terms

of three years. Two of such members shall be subject to confirmation by the senate.

(2) For appointments subsequent to the initial appointments pursuant to subparagraph (1), two of the members shall be appointed by the governor, subject to confirmation by the senate, to staggered terms of three years each, and the remaining five members shall be selected by a majority vote of the board of directors of the corporation for terms the length of which shall be provided in the articles of the corporation.

(3) The governor and the board of directors of the corporation shall not appoint or select any person who is either the spouse or a relative within the first degree of consanguinity of a serving member of the board of directors or of the authority board.

b. The appointment of a chief executive officer by the board to manage the corporation's daily operations.

c. The delegation of such powers and responsibilities to the chief executive officer as may be necessary for the corporation's efficient operation.

d. The employment of personnel necessary for the efficient performance of the duties assigned to the corporation. All such personnel shall be considered employees of a private, nonprofit corporation and shall be exempt from the personnel requirements imposed on state agencies, departments, and administrative units.

e. The financial operations of the corporation including the authority to receive and expend funds from public and private sources and to use its property, money, or other resources for the purpose of the corporation.

5. The board of directors of the corporation and the chief executive officer shall act to ensure all of the following:

a. That the corporation reviews and, at the board's direction, implements the applicable portions of the strategic plan developed by members of the authority pursuant to section 15.105.

b. That the corporation prepares an annual budget that includes funding levels for the corporation's activities and that shows sufficient moneys are available to support those activities.

c. That the corporation annually completes and files an information return as described in section 422.15 and that the information return is submitted to the general assembly.

Sec. 8. Section 15.107A, subsection 2, unnumbered paragraph 1, Code 2019, is amended to read as follows:

The corporation shall, to the extent its articles so provide and within its public purpose, do all of the following with the purpose of increasing innovation in Iowa's economy, and bringing more innovative businesses to the state, and enhancing and expanding the bioscience development platforms:

Sec. 9. Section 15.107A, subsection 2, paragraph b, Code 2019, is amended to read as follows:

b. Act as an innovation intermediary by aligning local technologies, assets, and resources to work together on advancing innovation and the bioscience development platforms.

Sec. 10. Section 15.107C, subsection 2, paragraph b, Code 2019, is amended to read as follows:

b. The report shall describe how the operations and activities serve the interests of the state, enhance bioscience-based economic development in the state, and further economic development.

Sec. 11. Section 15.117A, subsection 2, paragraph a, subparagraphs (1) and (2), Code 2019, are amended to read as follows:

(1) Twenty members selected by the board to serve staggered, two-year terms beginning and ending as provided in section 69.19. Of the members selected by the board, ~~seven~~ fourteen shall be representatives from businesses in the targeted industries and ~~thirteen~~ six shall be individuals who serve on the technology commercialization committee created in section 15.116, or other committees of the board, and who have expertise with the targeted industries. At least ten of the members selected pursuant to this subparagraph shall be executives actively engaged in the management of a business in a targeted industry. The members selected pursuant to this paragraph shall reflect the size and diversity of businesses in the targeted industries and of the various geographic areas of the state.

(2) One member, selected by the ~~governor~~ board, who also

~~serves on the Iowa capital investment board created in section~~
~~15E.63~~ has experience supporting businesses in the targeted
industries.

Sec. 12. TRANSITION — APPOINTMENT AND TERMS OF IOWA
INNOVATION COUNCIL MEMBERS. This Act shall not affect the
appointment or term of a member serving on the Iowa innovation
council immediately prior to the effective date of this Act.

CHARLES SCHNEIDER
President of the Senate

LINDA UPMAYER
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 228, Eighty-eighth General Assembly.

W. CHARLES SMITHSON
Secretary of the Senate

Approved _____, 2019

KIM REYNOLDS
Governor